STONEFIELD JOSEPHSON, Inc.
Certified Public Accountants
Business Advisors

News

Contact: Lyne Noella
Chief Marketing Officer
Stonefield Josephson, Inc.
Tel: 310.566.4327
lnoella@sjaccounting.com

1620 26th Street, Suite 400 South
Santa Monica, California 90404
www.sjaccounting.com

Planning to hand down that cabin at the lake? Gift now or pay later

For immediate release

Santa Monica, Calif.—November 30, 2004—"Give a gift to your child now to avoid a large inheritance tax later," says Partner Bob Sullivan of Stonefield Josephson, a California-based certified public accounting firm. Sullivan says there are benefits to sharing the wealth early. "If you are planning to pass down that cabin at the lake to your children," says Sullivan, "consider gifting the cabin before it appreciates in value. I would rather deal with gift taxes now on a $100,000 vacation home than to have the government assess an inheritance tax on the same property years later when the home is valued at $1 million."

Sullivan says that giving your children property, investment assets or shares in the family business offers new opportunities. "The benefits of gifting today go beyond substantial tax savings. Of course, you can enjoy your children's reaction to the gift. More importantly, you can assess how your children handle the new responsibilities of property ownership, additional income or the family business. You have a chance to guide your children in managing the gift in a responsible manner. Your children may need you more than you realize."

Sullivan advises you to develop a gifting plan today. "Start by clarifying your life goals and your family goals. If you are married, ask your spouse for input and feedback. Meet with your CPA and an experienced estate attorney to learn about your options. The attorney and CPA will help create a gifting plan and may involve other professionals such as an insurance

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advisor, a financial planner and your general counsel. Ask your attorney to draft or update your will to ensure that your assets are distributed as you see fit now and in the future." For additional information on gifting to family members, contact Partner Bob Sullivan at 310-566-4316 or bsullivan@sjaccounting.com

Stonefield Josephson Inc. (www.sjaccounting.com) is a California-based certified public accounting and business advisory firm founded in 1975. The 100-person firm serves public and privately held clients throughout the United States and internationally from four California locations: Santa Monica, Irvine, San Francisco and Walnut Creek. Services include assurance/accounting; business consulting (profit enhancement; finance sourcing; mergers and acquisitions; family-owned business; succession planning; executive incentive compensation; business plans and budgeting); business valuation; financial recovery; forensic services; litigation support; public companies services; and tax services.

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